

Commissioning Support Services

Board Meeting

16 April 2012

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Purpose of Paper	
<p>This paper provides an update on development of the South Yorkshire and Bassetlaw Commissioning Support Service (SYB CSS) and, specifically, on progress in establishing the Outline Business Case (OBC) as required by the Department of Health. It seeks to assure the Board that progress is in line with expected timelines.</p> <p>It asks Board formally to approve interim governance proposals for 2012/13</p>	
Key Messages/Issues	
<p>The establishment of the SYB CSS is progressing to plan. Previous SHA feedback, supported by external validation, provides assurance that the OBC submitted meets the requirements set out by the nationally prescribed process. Engagement of the CCGs in the co-production of the business case is regarded positively.</p>	
Recommendations	
<p>The Board is invited:</p> <ul style="list-style-type: none"> to receive the report and the assurances on progress set out; formally to agree the proposed interim governance arrangements for 2012/13. 	
Background (Brief Summary)	
<p>The establishment of a CSS is an essential requirement in achieving authorisation of Clinical Commissioning Groups (CCGs). The SYB CSS is expected to provide high quality commissioning support services to the South Yorkshire and Bassetlaw CCGs. The Department of Health established a challenging timetable to produce an Outline Business Case (OBC) by 30 March 2012, followed by a Full Business Case (FBC) by August 2012. The CSS is expected to run in 'shadow' form during 2012/13, increasingly taking on commissioning support service responsibilities from the CCGs, before becoming fully operational from 1 April 2013.</p> <p>As reported to previous meetings, the key reporting deadlines required by the DH timeline have been met to date. Submission of the final OBC was achieved as required on 30 March 2012. This is described as Checkpoint 2. The OBC was reviewed at a special</p>	

meeting of the Audit Committee on 29 March and signed off by each of the CCGs, and Barnsley PCT, before submission.
Analysis of Risks
The OBC contains a risk management section. The audit committee has received a report on these.
Equality Impact:
In the short term, the key issue is ensuring a fair and transparent process of staff assignment to the CSS (when agreed).

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1. Purpose

This paper provides an update on development of the South Yorkshire and Bassetlaw Commissioning Support Service (SYB CSS) and, specifically, on progress in establishing the Outline Business Case (OBC) as required by the Department of Health. It seeks to assure the Board that progress is in line with expected timelines.

It asks Board formally to approve interim governance proposals.

2. Background

The establishment of a CSS is an essential requirement in achieving authorisation of Clinical Commissioning Groups (CCGs). The SYB CSS is expected to provide high quality commissioning support services to the South Yorkshire and Bassetlaw CCGs. The Department of Health established a challenging timetable to produce an Outline Business Case (OBC) by 30 March 2012, followed by a Full Business Case (FBC) by August 2012. The CSS is expected to run in 'shadow' form during 2012/13, increasingly taking on commissioning support service responsibilities from the CCGs, before becoming fully operational from 1 April 2013.

As reported to previous meetings, the key reporting deadlines required by the DH timeline have been met to date. Submission of the final OBC was achieved as required on 30 March 2012. This is described as Checkpoint 2. The OBC was reviewed at a special meeting of the Audit Committee on 29 March and signed off by each of the CCGs, and Barnsley PCT, before submission

3. Assessment Process and Timetable

The Department of Health's Business Development Unit (BDU) will assess the OBC over the next few weeks. It will take into account feedback from the SHA including its assessments of earlier OBC drafts, the OBC itself along with a resubmitted Prospectus, and customer perspectives gained through a survey conducted nationally by the NHS Alliance and the National Association of Primary Care (NAPC). The process will culminate in a dialogue with the CSS in the form of interviews with to be agreed CCG leaders and a panel assessment of the CSS leadership team. The date for this panel assessment has been set for Monday 23rd April 2012.

The assessment will focus on what have been identified by the BDU as the core elements of Leadership, Customer Engagement and Business Readiness (addressed in more detail in section 4 below). If successful, the CSS will be authorised to proceed to submission of Full Business Case (Checkpoint 3 – August 2012) with either a 'significant requirement for development' or a 'medium to low requirement for

development'. Either scenario will involve agreeing a binding development plan between the CSS and the BDU which will involve a level of support.

4. Outline Business Case – headline issues

The OBC is a comprehensive document that fulfils the requirements identified by the Department of Health and the BDU. It identifies its key customers, both current and prospective, and has been developed in partnership with principal customers. It is underpinned with a detailed assessment of the market within which it will operate and has identified a range of planning assumptions. This includes factoring into the financial plans a number of scenarios, both positive and negative, that may impact on long term viability.

The range of services to be offered, and potentially developed over time, have been developed with CCG customers and the financial investment, workforce and service delivery models have all been agreed with customers. Appropriate account has been taken of the requirement to utilise a range of nationally provided service offers and to work with other CSS where economies of scale can be realised.

The initial running costs/turnover of the CSS in the transition year (2102/2013) is set at £1.98m. This includes the cost of the national elements and a range of services currently assessed as being outside CCG running costs definitions.

The position in respect of the BDU's core assessment elements is set out below:

- **Leadership**

The interim leadership team is now in place which will take the development of the CSS forward. Debbie Hilditch has been appointed as the interim Managing Director and the two other Director posts have been filled.

To ensure that the CSS is able to operate efficiently and provide the best possible service to its customers a number of senior management posts will be appointed to imminently and will form part of the wider leadership team.

The leadership team will use 2012/13 as the year during which to concentrate on the establishment of the CSS, the transition of services from existing PCT structures to a shared arrangement and the development of detailed specifications and reshaping the workforce. Plans are well advanced to appoint, through a competitive procurement process, a strategic business partner for 6 months to provide commercial and business support to the leadership team.

- **Customers**

As described, the OBC has been co-developed with key CCG customers who are all signed up to the further develop of the CSS. Each CCG (and Barnsley PCT) has signed a Memorandum of Understanding for 2012/13 committing to this position and to working to the agreement of a longer term contract as the CSS is established. This is underpinned by a comprehensive analysis of the market as it currently stands and into the future.

It is anticipated that this level of engagement and commitment will be reflected in feedback the BDU receives and in its consequent assessment of the progress made to date.

- **Business Development**

The OBC is founded on a robust financial model which reflects the engagement described above and the expected investment identified by the CCGs, underpinned by a range of sensitivity and risk analyses. The CCGs, in identifying their anticipated requirements of the CSS and the potential costs of these, have each identified an indicative figure (expressed as £ per head of population) to be invested in the CSS. The business case has been built on this income assumption identifying the potential, over time, for additional income including from new customers. The overall assessment is that this supports commercial viability and that this level of 'business grip' will meet the assessment requirements of the BDU.

5. Governance

As part of establishing the CSS at arms length from the cluster we need to ensure appropriate governance arrangements are at the heart of the CSS from the outset. It is proposed that the following governance arrangements are put into place to enable the CSS to operate from May 2012 onwards. It is recognised that these arrangements will need to change as appointments are made, by the NHS Commissioning Board, to the Director posts and as the transition progresses:-

- the Chief Executive formally delegates managerial accountability for the operation of the CSS to the Interim Managing Director from 1st April 2012
- a CSS Advisory Group is established from 1st May 2012 to oversee the continued co-production of the CSS service offer to CCGs.
 - To provide independence it is recommended that the group be chaired by a Non Executive Director from the Cluster Board and membership will include representatives from each of the Clinical Commissioning Groups (Chief Operating Officer or Clinical Chair (or nominated representative) and NHS Barnsley together with the Interim Managing Director, Interim Business Development Director and Interim Commissioning Services Director.
 - A specific remit of the Advisory Group will be to support the development of future organisational form, including the future hosting arrangements for the CSS.
 - The meeting will be formally minuted and shared with the Trust Board and Clinical Commissioning Groups/Barnsley Interim Advisory Committee.
 - A monthly report on progress and performance will be presented by the Interim Managing Director to the Trust Board.
- The interim Managing Director will establish an internal meeting to address CSS business/operational arrangements and the membership of this internal group will be a matter for the Interim MD. This internal group will ensure the governance arrangements internally to manage the CSS are developed.
- The CSS will develop and publish its internal management structure and arrangements to demonstrate its operating model, internally for staff and externally for stakeholders, reinforcing the principle of openness and transparency.
- The above arrangements are reviewed at the end of October 2012.

6. Next Steps

- In the immediate term, the key challenge is preparing for the BDU panel assessment; arrangements are in place to ensure the leadership team is equipped to respond
- The proposed governance arrangements, when agreed, need to be put in place
- Working with CCGs, the leadership team will establish and implement a programme to deliver key elements of commissioning support on behalf of the CCGs with a view to having the bulk of the planned 'offer' operational by 1 October 2012

7. Summary and Recommendations

The establishment of the SYB CSS is progressing to plan. Previous SHA feedback, supported by external validation, provides assurance that the OBC submitted meets the requirements set out by the BDU process. Engagement of the CCGs in the co-production of the business case is regarded positively.

The Board is invited:

- to receive the above report and the assurances on progress set out;
- formally to agree the proposed interim governance arrangements for 2012/13 as set out in Section 5.0

Debbie Hilditch
Interim Managing Director
South Yorkshire and Bassetlaw Commissioning Support Service
April 2012